

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30-Sep-21 RM'000	Preceding year Corresponding Quarter 30-Sep-20 RM'000	Changes %	Current Year To date 30-Sep-21 RM'000	Preceding year Corresponding year 30-Sep-20 RM'000	Changes %
Revenue	46,504	47,913	-2.94%	157,650	114,718	37.42%
Direct costs	(208)	(8,469)	-97.54%	(7,406)	(8,747)	-15.33%
Changes in inventories of finished goods and work in progress	5,935	3,670	61.72%	14,655	(1,051)	-1494.39%
Raw materials and consumable used	(40,347)	(32,754)	23.18%	(119,470)	(78,078)	53.01%
Changes in inventories of trading merchandise	(212)	(177)	19.77%	(519)	(381)	36.22%
Staff costs	(3,047)	(3,233)	-5.75%	(10,539)	(8,769)	20.18%
Other income	1,965	2,379	-17.40%	3,070	3,054	0.52%
Depreciation and amortisation	(2,128)	(1,633)	30.31%	(6,069)	(4,776)	27.07%
Other operating expenses	(2,842)	(2,817)	0.89%	(10,355)	(6,830)	51.61%
Finance cost	(266)	(897)	-70.35%	(1,007)	(1,523)	-33.88%
Profit before taxation	5,354	3,982	34.46%	20,010	7,617	162.70%
Taxation	(900)	(1,550)	100.00%	(6,000)	(1,610)	272.67%
Profit after taxation/ Total comprehensive income	4,454	2,432	83.14%	14,010	6,007	133.23%
Profit attributable to:						
Owners of the Company	4,589	2,455		14,573	6,163	
Non-controlling interest	(135)	(23)		(563)	(156)	
	4,454	2,432		14,010	6,007	
Total comprehensive income attributable to:						
Owners of the Company	4,589	2,455		14,573	6,163	
Non-controlling interest	(135)	(23)		(563)	(156)	
	4,454	2,432		14,010	6,007	
Earning per share attributable to owners of the Company (sen per share):						
Basic earning per share	0.73	0.55		2.63	1.37	

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 30-Sep-21 RM'000	Audited As at preceding Financial Year Ended 31-Dec-20 RM'000
ASSETS		
Non Current assets		
Property, plant and equipment	86,702	84,612
Right of use assets	8,591	7,022
Investment properties	18,611	18,611
Intangible assets	101	101
Land held for development	16,674	15,904
	130,679	126,250
Current Assets		
Inventories	75,517	57,561
Trade and other receivables	19,305	23,009
Tax recoverable	68	47
Other investment	8,779	11,605
Derivative assets	10	20
Fixed deposits with licensed banks	3,408	3,368
Cash and bank balances	31,250	7,371
	138,337	102,981
TOTAL ASSETS	269,016	229,231
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the parent		
Share capital	204,469	179,072
Treasury shares	(1,297)	(1,297)
Revaluation reserve	28,139	28,139
Reverse acquisition reserve	(72,051)	(72,051)
Retained profits	57,517	43,003
	216,777	176,866
Equity attributable to the owners of the Company	216,777	176,866
Non-controlling interest	(440)	85
Total equity	216,337	176,951
Non Current Liabilities		
Lease liabilities	5,837	3,949
Deferred income	483	588
Borrowings	12,402	14,491
Provision	39	38
Deferred tax liabilities	6,791	5,691
	25,552	24,757
Current Liabilities		
Trade and other payables	15,818	16,635
Tax payable	4,985	1,405
Borrowings	3,705	7,538
Lease Liabilities	2,619	1,945
	27,127	27,523
TOTAL LIABILITIES	52,679	52,280
TOTAL EQUITY AND LIABILITIES	269,016	229,231
Net assets per share (sen) attributable to owners of the Company	34.59	31.96

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Tresury shares RM'000	Revaluation reserve RM'000	Reverse acquisition reserve RM'000	Reserve - SIS RM'000	Retained profits RM'000	Equity attributable to owners of the Company RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2020	166,639	(100)	23,379	(72,051)	1,542	32,297	151,706	145	151,851
Treasury shares acquired	-	(1,197)	-	-	-	-	(1,197)	-	(1,197)
Expiry of SIS option	-	-	-	-	(1,542)	1,542	-	-	-
Net profit/Total comprehensive income for the period	-	-	-	-	-	6,163	6,163	(156)	6,007
At 30 September 2020	<u>166,639</u>	<u>(1,297)</u>	<u>23,379</u>	<u>(72,051)</u>	<u>-</u>	<u>40,002</u>	<u>156,672</u>	<u>(11)</u>	<u>156,661</u>
At 1 January 2021	179,072	(1,297)	28,139	(72,051)	-	43,003	176,866	85	176,951
Net adjustment related to changes in non controlling interest	-	-	-	-	-	(59)	(59)	38	(21)
Issuance of share pursuant to private placement	25,650	-	-	-	-	-	25,650	-	25,650
Share issuance expenses	(253)	-	-	-	-	-	(253)	-	(253)
Net profit / Total comprehensive profit for the period	-	-	-	-	-	14,573	14,573	(563)	14,010
At 30 June 2021	<u>204,469</u>	<u>(1,297)</u>	<u>28,139</u>	<u>(72,051)</u>	<u>-</u>	<u>57,517</u>	<u>216,777</u>	<u>(440)</u>	<u>216,337</u>

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Cumulative Current Year 30-Sep-21 RM'000	Preceding Year Corresponding Period 30-Sep-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,010	7,617
Adjustments for:		
Allowance for impairment of receivables	1,074	39
Allowance for impairment of receivables no longer required	(900)	(400)
Changes in fair value of other investments	567	(1,714)
Changes in fair value of derivative financial instruments	(10)	(2)
Depreciation of property, plant and equipment and right of use assets	6,069	4,776
Dividend income	(167)	(64)
Fixed assets written off	30	-
Gain on disposal of fixed assets	-	(66)
Gain on disposal of other investment	(1,594)	-
Impairment loss on plant and equipment and right of use assets	1,000	-
Loss on foreign exchange - unrealised	301	170
Government grant income	(105)	(105)
Realised loss on foreign exchange - cash and cash equivalent	(99)	(7)
Interest income	(182)	(154)
Interest expense	1,191	1,677
Operating cash flows before working capital changes	27,185	11,767
Changes in working capital:		
Increase in inventories	(17,955)	(182)
Decrease/(Increase) in trade and other receivables	3,248	(5,071)
Decrease in trade and other payables	(817)	(3,406)
Increase in property development expenditure	(770)	(443)
Decrease in other investments	427	891
Cash used in operations	11,318	3,556
Income tax paid	(1,342)	(117)
Income tax refunded	-	33
Net cash generated from operating activities	9,976	3,472
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in fixed deposit pledged	(9)	1,384
Interest received	182	154
Dividend received	167	64
Deposit paid for purchase of property, plant and equipment	(2,819)	(305)
Proceeds from disposal of fixed assets	-	67
Proceeds from disposal of other investments	3,425	-
Purchase of property, plant and equipment	(3,691)	(3,069)
Net cash used in investing activities	(2,745)	(1,705)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(857)	(1,081)
Cash payment for leases	(2,016)	(1,569)
Acquisition of treasury shares	-	(1,197)
Acquisition of additional interest of non controlling interest	(20)	-
Net proceeds from issuance of share pursuant to private placement	25,397	-
Proceeds from term loan	-	250
Repayment of term loan	(2,029)	(1,229)
Net cash generated from /(used in) financing activities	20,475	(4,826)
Net increase in cash and cash equivalents	27,706	(3,059)
Effect of exchange rate changes	99	7
Cash and cash equivalents at 1 January	5,119	7,794
Cash and cash equivalents at 30 Sept	32,924	4,742
Cash and cash equivalents at end of financial quarter comprised:		
Cash and bank balances	31,250	5,546
Fixed deposits with licensed banks	3,408	3,349
Bank overdraft	(880)	(3,316)
	33,778	5,579
Less: Fixed deposits pledged	(854)	(837)
	32,924	4,742

The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial statements.

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Notes on the quarterly report for the financial period ended 30 September 2021

Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting, IAS 34: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE LR”).

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted and as disclosed in the Group’s annual report for the financial year ended 31 December 2020.

The Group has adopted the new and revised Malaysian Financial Reporting Standards (“MFRSs”), amendments to published standards and IC Interpretations that became mandatory for the current reporting year. The adoption of these new and revised MFRSs, amendments to published standards and IC Interpretations does not result in significant changes in the accounting policies of the Group.

A3. AUDITORS REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no audit qualification on the annual financial statements of JAG for the financial year ended 31 December 2020.

A4. SEASONAL AND CYCLICAL FACTORS

The Group’s business operations were mainly attributable (i.e. contributing approximately 92% of its total revenue) from its manufacturing and trading segments involving recycling and recovery activities, which are affected by the cyclicity of the semiconductor. The semiconductor industry, in turn, is cyclical and dependent on its end user industries, in particular the electrical & electronic industries. The demand for semiconductors typically mirrors the trend in the demand for personal computers, mobile phones and other electronic equipment.

As the availability of electrical and electronic waste (“E-waste”) for recycling and manufacturing services is dependent on the volume of E-waste discharged by semiconductor manufacturers, the E-waste recycling industry is also dependent on the trends in the semiconductor industry.

A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter and period under review.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that have had effect on the current financial quarter and period under review.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 30 September 2021

A7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and year ended 30 September 2021:

- (i) 90,000,000 new ordinary shares in JAG (“Placement Shares”), being first tranche of Placement Shares were issued pursuant to the Private Placement (as defined in Note B6), were listed on 11 August 2021 at RM0.285 each.

A8. DIVIDEND

There were no dividend being declared, recommended or paid during the financial quarter and period under review.

A9. SEGMENT INFORMATION

The Group’s segmental information is as follows:

	Current Quarter		Year to date	
	30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
	RM’000	RM’000	RM’000	RM’000
Revenue by business segments				
Manufacturing and trading activities	45,944	37,727	145,236	103,164
Proprietary solutions and software maintenance	-	-	-	108
Investment holding	-	9,383	9,897	9,488
Lifestyle and services	560	803	2,517	1,958
	<u>46,504</u>	<u>47,913</u>	<u>157,650</u>	<u>114,718</u>
Elimination of inter-segment sales	-	-	-	-
	<u>46,504</u>	<u>47,913</u>	<u>157,650</u>	<u>114,718</u>
Segment results				
Manufacturing and trading activities	6,270	4,569	23,637	10,011
Investment holding	349	558	2,111	239
Proprietary solutions and software maintenance	-	-	-	(40)
Lifestyle and services	(869)	(80)	(4,381)	(636)
Property development	(130)	(168)	(390)	(434)
Profit from operations	<u>5,620</u>	<u>4,879</u>	<u>20,977</u>	<u>9,140</u>
Interest income	107	43	222	154
Finance cost	(373)	(940)	(1,189)	(1,677)
Profit before taxation	<u>5,354</u>	<u>3,982</u>	<u>20,010</u>	<u>7,617</u>
Taxation	<u>(900)</u>	<u>(1,550)</u>	<u>(6,000)</u>	<u>(1,610)</u>
Profit after taxation	<u>4,454</u>	<u>2,432</u>	<u>14,010</u>	<u>6,007</u>
Revenue By Geographical Segment				
Malaysia	4,253	16,958	26,591	23,624
Foreign countries	<u>42,251</u>	<u>30,955</u>	<u>131,059</u>	<u>91,094</u>
	<u>46,504</u>	<u>47,913</u>	<u>157,650</u>	<u>114,718</u>

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Notes on the quarterly report for the financial period ended 30 September 2021

A9. SEGMENT INFORMATION (CONTINUED)

	As at 30 Sept 2021 RM'000	As at 31 Dec 2020 RM'000
Segment assets		
Manufacturing and trading activities	213,165	176,100
Investment holding	208,247	182,175
Lifestyle and services	13,077	12,814
Property development	38,493	37,454
	<u>472,982</u>	<u>408,543</u>
Elimination	<u>(203,966)</u>	<u>(179,312)</u>
	<u>269,016</u>	<u>229,231</u>
Segment liabilities		
Manufacturing and trading activities	78,363	76,674
Investment holding	3,929	6,949
Lifestyle and services	16,519	11,534
Property development	24,014	23,053
	<u>122,825</u>	<u>118,210</u>
Elimination	<u>(70,146)</u>	<u>(65,930)</u>
	<u>52,679</u>	<u>52,280</u>

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation or revaluation of property, plant and equipment during the current financial quarter and period under review and the valuation of property, plant and equipment have been brought forward without amendment from the previous annual audited financial statements.

A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER

There were no material events subsequent to the current financial quarter and period ended 30 September 2021 up to the date of this report.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

On 1 January 2021, the subsidiary, Jaring Metal Industries Sdn Bhd has further acquired 20,000 shares in JAG Nasmec Sdn Bhd (“JAG Nasmec”), representing 20% equity interest in JAG Nasmec from Bubblelab Laundry Sdn Bhd and Mr Wong Chan Kong for a purchase consideration of RM20,000.00. The said acquisition was completed and JAG Nasmec is a wholly owned subsidiary to the Group and the Company.

Save as disclosed above, there were no other changes and/or intended changes in the composition of the Group during the current financial quarter and period under review.

A13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no changes in the contingent liabilities and contingent assets during the current financial quarter and period review.

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Notes on the quarterly report for the financial period ended 30 September 2021

A14. CAPITAL COMMITMENTS

As at 30 September 2021, the Board is not aware of any material commitment incurred or known to be incurred by the Company or the Group, which may have material impact on the financial position of the Group.

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the current financial quarter and period under review.

Part B - Explanatory Notes Pursuant to Appendix 9B of the ACE LR

B1. REVIEW OF PERFORMANCE

3rd Quarter 2021 vs 3rd Quarter 2020

Referring to Note A9, the TWM division had reported an increase in revenue of 21.8%, from RM37.7 million in 3rd quarter 2020 to RM45.9 million in current financial quarter. This was due to higher sales of precious metals which were driven by strong demand of commodities products globally and locally.

As for investment holding division, there was no disposal of investment held in current financial quarter but RM9.9 million investments was disposed in previous year corresponding financial quarter. The revenue from lifestyle and services division which carries the retail businesses are affected by the implementation of Movement Control Order (“MCO”) and Enhanced Movement Control Order (“EMCO”) in July 2021 followed by National Recovery Programme in Klang Valley, as such, the revenue for the said division reported RM0.6 mil representing decreased of 25% as compared to previous year corresponding financial quarter.

In respect of profitability of the Group, the positive movement of commodities price such as copper and tin had directly strengthened the average selling price of the said commodities, this resulted in better margin for the Group in the current financial quarter. Whereas for lifestyle and services division, the losses were mainly due to lower revenue generated compounded by fixed overhead such as rental cost and staff cost are remained.

The other operating expenses included manufacturing overhead expenses, changes in fair value of other investments, professional fees, travelling expenses, audit fees and others.

Financial Period ended 30 September 2021 vs Financial Period ended 30 September 2020

The Group recorded an increase in revenue of 37.4% in current financial period as compared to previous corresponding financial period ended 30 September 2020. This was mainly contributed by the increase in revenue in TWM division.

Referring to Note A9, the TWM division had reported revenue of RM145.2 million in current financial period as compared to RM103.2 million in previous year corresponding financial period, marked an improvement of 40.7%. This was mainly due to higher sales of precious metals driven by strong demand of commodities product globally and locally.

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Notes on the quarterly report for the financial period ended 30 September 2021

B1. REVIEW OF PERFORMANCE (CONTINUED)

Financial Period ended 30 September 2021 vs Financial Period ended 30 September 2020 (continued)

The continuing strong and positive movement of commodities price such as copper and tin had bolstered the average selling price of the said commodities, resulting in better margins for the Group.

In respect of the performance of investment holding division, the Company had disposed the long term investments held during the financial period ended 30 September 2021 and recorded revenue and profit before interest and tax of RM9.9 million and RM2.1 million respectively.

During the current financial period, the lifestyle and services division which carries the retail businesses of coin operated laundrettes, and manufacturing and sales of gelato products had suffered losses of RM4.4 million (referring to Note A9). This was mainly due to lower revenue generated which resulted from the enforcement of MCO and EMCO followed by National Recovery Programme in Klang Valley. However, cost of operations such as rental of outlets, staff costs and other relevant operational costs remained, leading to the losses of the said division. Furthermore, the management had recognised the impairment loss on equipment and right of use assets totaling of RM1 million as prudence approach toward the adverse business impact by the ongoing pandemic in the country.

The other operating expenses included manufacturing overhead expenses, changes in fair value of other investments, professional fees, impairment loss on equipment and right of use assets, travelling expenses, audit fees and others.

With the improved performance of TWM division, it will attract higher tax payable for the Year of Assessment 2021, hence, additional provision of tax payable as well as deferred taxation had been projected in the account leading to higher taxation in the current quarter and period.

B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER

	Current Quarter 30 Sept 2021	Immediate Preceding Quarter 30 June 2021	Changes
	RM'000	RM'000	%
Revenue	46,504	47,590	-2.3
Staff cost	3,047	4,176	-27.0
Other income	1,965	3,389	-42.0
Other operating expenses	2,842	4,125	-31.1
Profit before taxation	5,354	6,855	-21.9
Profit after taxation	4,454	4,255	4.7

The Group recorded lower revenue of RM46.5 million for the current financial quarter ended 30 September 2021 as compared to immediate preceding financial quarter ended 30 June 2021 of RM47.6 million. The lower revenue mainly due to lower sales from TWM division.

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Notes on the quarterly report for the financial period ended 30 September 2021

B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER (CONTINUED)

The lower other income mainly due to the absence of gain on disposal of investment in current financial quarter as compared to immediate preceding financial quarter. In addition, the absence of recognition of impairment loss on fixed asset in current financial quarter had led to lower other operating expenses as compared to immediate preceding quarter.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021

Looking forward in financial year 2021, the global economies are undergoing various recovery stages after the Covid-19 pandemic outbreak in 2020. The management is optimistic on the Group's outlook on the back of continuous strong demand for E&E products globally, where higher production of E&E manufacturer will lead to higher waste generated. In addition, commodity prices such as copper, tin and nickel had been on a steady upward trend since the financial year 2020 which benefited the Group financially.

The TWM division of the Group continues to be the major revenue and profit contributor in financial year 2021. The Group will continue to emphasise on developing its key strengths of sourcing capabilities, and to invest heavily to improve the production capacity, efficiency and technology in order to remain at the forefront of the e-waste recycling industry.

The operations of lifestyle and services division which carries the retail businesses of coin operated laundrettes, and manufacturing and sales of gelato products have been affected by the pandemic. The Group foresees the economy is gradually recovering, aided by higher rates of vaccination in Malaysia. However, fast spreading mutations such as the Delta variant and/or new variant may slow the pace of economic reopening and recovery.

Malaysia had achieved more than 94% adult fully vaccinated rate recently and moving towards economic reopening and recoveries, through the implementation of the 4 phases National Recovery Programme and targeting all sectors to be opened and operating by year end. With the continuous evolvement of the Covid-19 pandemic, the Group will continue to strategise, adapt and navigate through the challenging business environment and endeavor to take timely and appropriate actions to minimise operating risks and optimise its resources so as to ensure that the business operations remain resilient in these uncertain times and at the same time prepare a good foundation for strong and sustainable recovery post pandemic.

B4. VARIANCE OF FORECAST PROFIT AND PROFIT GUARANTEE

The Group has not provided any profit forecast or profit guarantee and thus this is not applicable to the Group.

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Notes on the quarterly report for the financial period ended 30 September 2021

B5. TAXATION

	Current Quarter Ended		Year to date	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
Income tax				
- current period	(600)	(1,200)	(4,410)	(1,260)
- under provision in prior years	-	-	(490)	-
	<u>(600)</u>	<u>(1,200)</u>	<u>(4,900)</u>	<u>(1,260)</u>
Deferred tax				
- current period	(300)	(350)	(1,100)	(350)
	<u>(900)</u>	<u>(1,550)</u>	<u>(6,000)</u>	<u>(1,610)</u>

The effective tax rate for the current financial period under review is higher than the statutory income tax rate mainly due to expenses which are not tax deductible incurred and under provision of taxation in previous financial quarter and period.

B6. STATUS OF CORPORATE PROPOSALS

On 4 June 2021, M&A Securities Sdn Bhd (“M&A”) had on behalf of the Board announced that the Company proposes to undertake a proposed private placement of up to 30% of the total number of issued shares in JAG (excluding treasury shares) (“Private Placement”) to independent third party investor(s). The listing application for the Private Placement was submitted to Bursa Securities on 14 June 2021.

The Company had on 30 June 2021 obtained Bursa Securities’ approval for the listing and quotation of up to 161,035,400 Placement Shares to be issued pursuant to the Private Placement. The approval granted by Bursa Securities for the Private Placement, is subjected to the following conditions:

- i. JAG and M&A must fully comply with the relevant provisions under the ACE LR pertaining to the implementation of the Private Placement;
- ii. JAG and M&A to inform Bursa Securities upon the completion of the Private Placement; and
- iii. JAG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Private Placement is complete.

On 28 July 2021, the Company had obtained the approval from the shareholder through Extraordinary General Meeting (“EGM”) held on the same day.

On 11 August 2021, the Company completed the issuance of the first tranche of 90,000,000 new ordinary shares at RM0.285 each and raised gross proceeds of RM25,650,000.

Save as above, there were no corporate proposals announced but not complete as at 19 November 2021, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarter report.

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Notes on the quarterly report for the financial period ended 30 September 2021

B7. STATUS OF UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENT

(a) Private Placements 2019

The actual utilisation of the total gross proceeds of RM9,495,875 raised from the 20% private placement on 13 December 2019 and 30 December 2019 were as below:

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance proceeds RM'000	Intended timeframe for utilisation
Project development cost	2,000	2,000	-	18 months
Purchase of machinery	3,870	3,870	-	12 months
Working Capital	3,366	3,366	-	6 months
Estimated expenses in relation to the Private Placements	260	260	-	within 1 month
Total	9,496	9,496	-	

(b) Private Placements 2020

The actual utilisation of the total gross proceeds of RM12,542,292 raised from the 20% private placement on 20 November 2020 were as below:

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance proceeds RM'000	Intended timeframe for utilisation
Purchase of machinery for total waste management division	2,500	1,919	581	12 months
Working capital	9,933	9,933	-	24 months
Estimated expenses in relation to the Private Placements	109	109	-	1 month
Total	12,542	11,961	581	

(c) Private Placements 2021

The actual utilisation of the total gross proceeds of RM25,650,000 raised from the 30% private placement on 11 August 2021 (referring to Note B6) were as below:

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance proceeds RM'000	Intended timeframe for utilisation
Acquisition of equipment	4,410	-	4,410	15 months
Working capital	9,009	5,789	3,220	12 months
Repayment of bank borrowings	11,978	339	11,639	6 months
Estimated expenses in relation to the Private Placements	253	253	-	1 month
Total	25,650	6,381	19,269	

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 30 September 2021

B8. GROUP BORROWINGS

The Group’s borrowings as at 30 Sept 2021 (all denominated in Ringgit Malaysia) are as follows:-

	As at 30 Sept 2021 RM’000	As at 31 Dec 2020 RM’000
Short term borrowing (secured)		
Term loan	2,825	2,764
Overdraft	880	4,774
Lease liabilities	2,619	1,945
	6,324	9,483
Long term borrowing (secured)		
Term loan	12,402	14,491
Lease liabilities	5,837	3,949
	18,239	18,440
Total	24,563	27,923

	As at 30 Sept 2021 %	As at 31 Dec 2020 %
The effective interest rate are as follows:		
Term loan	6.66	6.66
Overdraft	8.95	8.95
Hire purchase liabilities	5.08	5.08
Other lease liabilities	5.00	5.00
Proportion of borrowings between fixed and floating interest rates	34 : 66	22 : 78

B9. DERIVATIVE FINANCIAL INSTRUMENTS

(i) Disclosure of derivatives

As at 30 September 2021, the Group has the following derivative financial instruments:

Type of derivative	Contract value RM’000	Fair Value RM’000	Fair Value Gain RM’000
Forward foreign exchange contracts			
- Less than 1 year	848	858	10

The Group uses forward foreign exchange contracts to manage some of the transactions exposure of the Group’s sales denominated in USD and uses the commodity future contracts to manage the metal commodity price fluctuations.

There are no cash requirement risks as the Group only uses forward foreign currency contracts and commodity future contracts as its hedging instruments.

There have been no significant changes to the Group’s exposure to credit risk, market risk and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group’s management objectives, accounting policies and processes.

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Notes on the quarterly report for the financial period ended 30 September 2021

B9. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group determines the fair value of the derivative financial instruments relating to the forward foreign exchange contracts and commodity future contracts by using the difference between the contracted foreign exchange rates and commodity price and the market forward rates and commodity price. The basis of fair value measurement is the difference between the contracted value and the market forward rates and market price. This resulted in the Group recording a gain when the rates and commodity price move favourable against the Group or recorded a loss when the rates and commodity price move unfavourable against the Group.

B10. MATERIAL LITIGATION

There was no pending material litigation as at the date of this announcement.

B11. DIVIDEND

There were no dividend being declared, recommended or paid during the financial quarter and period under review.

B12. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current Quarter Ended		Year to date	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
Allowance for impairment of receivables	74	39	1,074	39
Allowance for impairment of receivables no longer required	(146)	(379)	(900)	(379)
Changes in fair value of derivative financial instruments	(10)	(64)	(10)	(2)
Changes in fair value on other investments	(1,755)	(1,656)	567	(1,714)
Depreciation of property, plant and equipment and right of use assets	2,128	1,633	6,069	4,776
Dividend income		(3)	(167)	(64)
Fixed asset written off	29	-	30	-
Gain on disposal of fixed assets	-	-	-	(66)
Gain on disposal of other investment	-	-	(1,594)	-
Loss on foreign exchange – unrealised	320	14	301	170
Loss/(Gain) on foreign exchange – realised	12	123	(264)	123
Government grant income	(35)	(35)	(105)	(105)
Impairment loss on equipment and right of use assets				
Interest income	(106)	(43)	(182)	(154)
Interest expenses				
- Hire purchase	13	18	54	57
- Overdraft	15	48	66	174
- Term loan	255	809	789	1,267
- Unwinding interest	1	1	3	3
- Implicit interest of lease liabilities	88	64	277	176

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 30 September 2021

B13. EARNINGS PER SHARE

The basic earnings per share was calculated by dividing the net profit for the current financial quarter and period by the weighted average number of ordinary shares in issue:

	Current Quarter Ended		Year to date	
	30 Sept 2021 RM	30 Sept 2020 RM	30 Sept 2021 RM	30 Sept 2020 RM
Net profit attributable to owners of the Company (RM'000)	4,589	2,455	14,573	6,163
Weighted average number of ordinary shares in issue ('000)	626,785	447,370	553,539	449,064
Basic earnings per share (sen)	0.73	0.55	2.63	1.37

B14. AUTHORISED FOR ISSUE

This interim financial statement was authorised for issue by the Board on 17 November 2021 in accordance with a resolution of the directors.

BY ORDER OF THE BOARD,

CHENG CHIA PING
(MAICSA 1032514 PRACTITIONER)
COMPANY SECRETARY

17 November 2021